

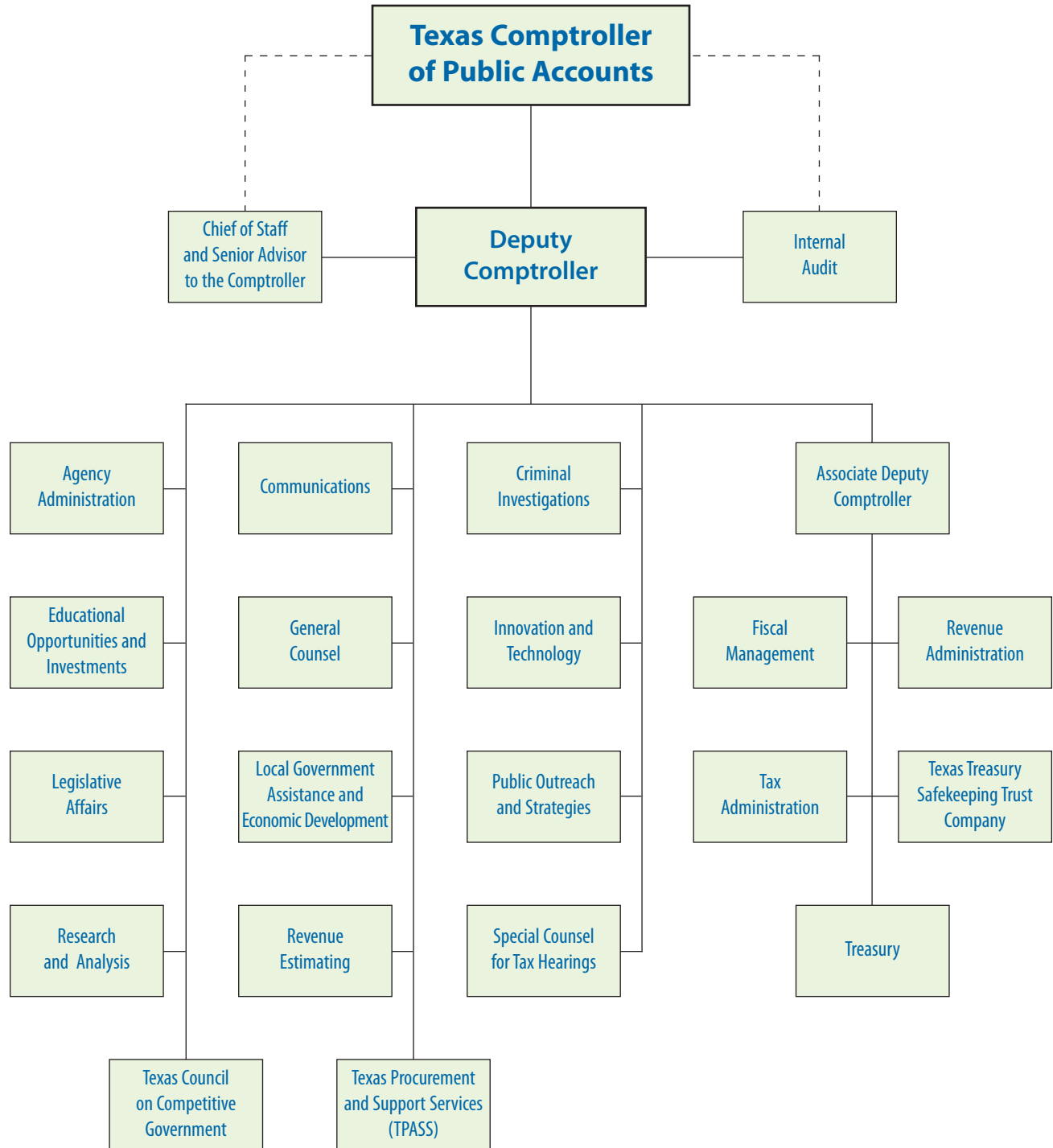


Susan Combs Texas Comptroller of Public Accounts

Agency Work Force Plan

For the Period 2009-2013

Agency Organizational Chart



Work Force Plan

I.

OVERVIEW OF AGENCY SCOPE AND FUNCTIONS

The Texas Comptroller of Public Accounts, created by the Texas provisional government on Dec. 30, 1835, was directed to keep an accounting of the infant nation's debts and pay them if and when money became available. The office continued as an appointed position in the Republic of Texas and, after statehood, became an elected position authorized by Article IV, Section 23, of the Texas Constitution of 1850.

Today, the Comptroller's office serves every citizen in the state. As Texas' chief tax collector, accountant, revenue estimator, treasurer and purchasing manager, the agency is responsible for writing the checks and keeping the books for the multi-billion dollar business of state government.

As the state's chief financial officer, the Comptroller's office collects taxes and fees owed the state. Most of the office's duties and powers are enumerated in the Texas Tax Code and in Chapter 403 of the Texas Government Code. As steward of the state's fiscal affairs, agencies depend on the Comptroller's office to pay their bills and issue paychecks to state employees. Legislators rely on the Comptroller to chart the course of the Texas economy, produce annual reports on the state's finances and estimate revenues coming to state government in the future. Taxpayers rely upon the agency for assistance and guidance regarding compliance with tax laws. Strict accountability in the collection and expenditure of taxpayer dollars is essential.

Senate Bill 20, as passed by the 74th Legislature, amended Chapter 404 of the Government Code to transfer the powers and duties of the State Treasurer to the Comptroller, effective Sept. 1, 1996. On Sept. 1, 2007, House Bill 3560, as passed by the 80th Legislature, amended various chapters of the Government Code to transfer the statewide procurement, fleet management and support services duties of the Texas Building and Procurement Commission, now the Texas Facilities Commission, to the Comptroller's office. At that time, the Comptroller's office became the state's purchasing manager, awarding and managing hundreds of

statewide contracts on behalf of more than 200 state agencies and 1,700 local government agencies.

The work of the Comptroller's office doesn't end there. Growing Texas' economy is vitally important to the prosperity and quality of life of all in the state. The agency provides a wide variety of assistance for business owners, local officials and individuals across Texas.

TAKING CARE OF TEXANS AND THE BUSINESS OF TEXANS

The Texas economy is on the brink of a new era. How Texans meet these challenges is important for continued growth and advancement in the years to come. By assisting communities and businesses in their efforts to create new jobs and improve the standard of living of all Texans, the Comptroller's office is committed to creating an environment in which a healthy economy can flourish.

As the state's chief tax collector, accountant, revenue estimator, treasurer and statewide purchaser, the Comptroller's office provides services to business owners, business taxpayers, local officials, Historically Underutilized Businesses (HUBs) and everyday Texans.

Business Owners and Business Taxpayers

- The Comptroller's office supports Texas business owners and offers an online Texas Business Advisor that helps entrepreneurs understand the steps involved in creating a new business.
- Texas Ahead provides a one-stop Web portal to economic resources for growing and governing Texas. The site offers targeted resources for businesses, local governments and economic development professionals, giving them vital information they need when making decisions about doing business in Texas or planning for economic growth.
- For business owners interested in doing business with Texas, the Texas Procurement and Support Services (TPASS) area manages the state's procurement and contracting programs and services. TPASS works with state entities and more than 12,000 state vendors and awards hundreds of contracts for goods and services.

- Because business owners are busy people, the Comptroller's office is committed to making the collection and remittance of sales and other taxes as convenient and trouble-free as possible. Many of the agency's services have moved online.
- From home or office computers, business owners and taxpayers can conduct a wide array of business with the agency, from applying for a sales tax permit and filing a return to requesting franchise tax extensions and submitting required reports.
- General information about state taxes, including relevant statutes, Comptroller rules and preprinted tax-related forms can all be obtained from a desktop computer.
- Telephone assistance for each of the taxes the Comptroller's office administers is provided, and sales taxpayers can file certain reports via telephone — all of it toll-free.
- For face-to-face contact, any of the agency's field offices throughout Texas are open to visitors. Field personnel can accept tax returns and payments, assist with tax permit applications and returns, answer taxability and collection-related questions and process requests for the permits, licenses and decals the agency provides.
- Taxpayer seminars are offered at locations around the state and online to provide useful information for buyers, sellers and service providers.

Historically Underutilized Business (HUB) Owners

- The state awarded more than \$1.8 billion in contracts and more than \$700 million in subcontracting opportunities to HUB-certified companies in fiscal 2007. Certifying minority- or women-owned businesses in the agency's Statewide HUB Program provides opportunities to do business with more than 300 state entities.
- The agency is ready to do business with all minority- or women-owned companies certified as HUBs. The HUB program of the Comptroller's office always strives to exceed the Legislature's goals for HUB participation. The agency is committed to promoting equal opportunities in contract awards, working with both prime contractors and HUB subcontractors. The HUB program offers a toll-free HUB Program Information line to obtain current bid opportunities and other information.

Local Officials

- The Comptroller's office is committed to partnering with local governments by providing vital management assistance to help streamline operations, improve customer service and ensure compliance with state laws.
- The agency provides a wealth of online information for local taxing authorities, including local sales and use tax information and tax rate histories for each taxing jurisdiction; answers to frequently asked questions; and historical information on local sales and use tax and mixed beverage tax allocation payments.
- Texas EDGE (Economic Data for Growth and Expansion) is the agency's online research service for businesses and local governments to provide up-to-date data for revenue planning and analysis, economic forecasting and site location decisions.
- The Property Tax area works to guarantee equality of school funding by maintaining the integrity of local property tax appraisals. The division conducts the state's annual Property Value Study, which is used to ensure and enforce appraisal accuracy. Seminars and presentations on the property tax are also offered for appraisal district personnel and taxing authorities.
- The Comptroller's office administers TexPool, an AAA-rated investment vehicle that provides more than 1,900 local governments across the state with a safe, efficient and liquid investment alternative.
- The Texas Cooperative Purchasing Program (CO-OP) takes the volume purchasing power of Texas — more than \$13 billion in purchased commodities and services in fiscal 2007 — and brings it to more than 1,700 local government members. CO-OP purchasing means buyers have access to state contracts with no bidding required — just order from more than 200 state contracts. Member governments can purchase copiers, vehicles, road and highway materials and many other products for the same price as state agencies. The Comptroller's office also offers members onsite training as well as training sessions at various statewide events, conference calls, an online CO-OP manual, online Webinars and more.
- The State Energy Conservation Office (SECO) provides local governments with free energy assessments, technical support, energy management workshops and low-interest loans that are repaid by the energy savings generated by the project.

Everyday Texans

- The Comptroller's office offers the Texas College Savings Plan, which allows individuals to accumulate savings and make withdrawals for qualified educational expenses without paying federal income tax on the earnings.
- The Comptroller's free monthly newsletters provide lively, topical looks at the Texas economy and government affairs. *Fiscal Notes* provides entertaining, informative articles on trends and events affecting the state economy. *Texas Innovator* examines new breakthroughs in science, government and business. The newest publication, *Texas Rising*, covers exciting developments and ideas in the world of local economic development.
- Texans deserve to know how state funds are spent. The Comptroller's office is committed to helping state agencies provide a new level of transparency and accountability by giving Texans an inside look at state agency expenditures through the agency's Web site, "Window on State Government", at www.window.state.tx.us.
- The Open Records area oversees nearly 600,000 written requests for information each year. Information is provided via paper copies or in various electronic formats.
- The Unclaimed Property area is responsible for reuniting "abandoned" properties with their owners. Abandoned properties can include any type of forgotten financial asset, such as bank accounts, safe deposit box contents, insurance proceeds, utility deposits, uncashed payroll checks, cashier's checks, stocks and bonds and more. An online database of abandoned property that can be accessed and searched 24 hours a day, seven days a week is maintained. A claim form can be generated online.

OUR MISSION

The Office of the Comptroller of Public Accounts will serve the people of Texas by applying the tax and fiscal laws fairly and consistently. We will continue to improve our services through innovative management and technology, carrying out all our duties with integrity, openness and at the least cost to the taxpayer.

OUR PHILOSOPHY

We will carry out our duties openly, ethically and fairly. We will emphasize transparency and ensure greater accountability by making records freely accessible. We will listen to those we serve and ask them to judge our performance. We will deliver more services at lower costs by continually examining and improving

the efficiency of our work. Employees will be rewarded for initiative, good ideas and productivity. While mindful that the human element is the source of creativity, we will seek out and use innovative technology to do our jobs simpler, smarter and faster. We will keep our word and deliver what we promise.

OUR COMPACT WITH TEXANS – WHAT YOU CAN EXPECT FROM US

The Comptroller's office will provide every customer with fast, fair and efficient service; exceed expectations; and continually explore ways to save taxpayer dollars through simpler, smarter and faster solutions.

Our Customer Service Principles

- Dynamic Assistance
- Quality Work
- Accessible Staff and Facilities
- Fair and Equitable Treatment
- Innovation and Improvement
- Privacy and Confidentiality
- Fast Response to Problems

Dynamic Assistance

The "Texas Taxpayer Bill of Rights" summarizes the agency's commitment to customer service for Texas taxpayers. The goal of this bill of rights, and the Comptroller's office, is to ensure those individuals and businesses who file and pay state taxes receive the treatment and service to which they are entitled.

- You're going to be treated with fairness, courtesy and genuine respect because it's the Texas thing to do.
- You'll get fast, accurate responses to your information needs. That's an important part of our job.
- If you ever have a complaint, it will be handled by an agency-appointed expert ombudsman.
- The rules, publications and forms are readily available and written clearly.
- Helpful information resources are available at any of our statewide offices or at your fingertips at www.window.state.tx.us.
- The tax process is fair and confidential. The timelines are clear. We will do everything we can to work with you and meet your needs.

Offices are open between 8 a.m. and 5 p.m., Central Standard Time, Monday through Friday. Tax assistance telephone lines are open from 7:30 a.m. until 5:30 p.m., Central Standard Time, Monday through Friday. Informa-

tion is available on the agency's Web site 24 hours a day, 7 days a week.

Quality Work

The agency's trained, professional staff aims to get every aspect of a customer's affairs right the first time.

Accessible Staff and Facilities

Agency staff may be contacted by e-mail, telephone or letter. Field offices located across Texas are also open to visitors.

Headquarters address:

111 East 17th Street
Austin, Texas 78774

Mail correspondence to:

P. O. Box 13528
Austin, Texas 78711

Agency switchboard:

(800) 531-5441
(7:30 a.m.-5:30 p.m., Central Standard Time,
Monday-Friday)

Fair and Equitable Treatment

The Comptroller's office promises tax and fiscal processes that are fair, equitable and timely. For special needs, any of the agency publications can be made available in Braille, large print, audiotape or Spanish. An alternate format can be requested by contacting the agency's customer service representative at comptroller.help@cpa.state.tx.us.

Innovation and Improvement

Customer input is critical to the agency's continuous improvement efforts. Customers are surveyed on a regular basis to obtain input and ideas to improve agency processes.

Privacy and Confidentiality

The Comptroller's office will follow the letter of the law when it comes to taxpayer privacy and confidentiality.

Fast Response to Problems

Despite the agency's best efforts, there could be times when delays arise. All complaints are handled with a sense of urgency. If a complaint is filed, a response can be expected within 10 working days.

Tax disputes previously handled by the Comptroller's office are now heard by administrative law judges with the Tax Division of the State Office of Administrative Hearings. Contact the State Office of Administrative Hearings at questions@soah.state.tx.us.

Due to the size and number of programs administered by the Comptroller's office, two individuals assist in resolving customer issues. The Customer Relations Representative works with customers who have non-tax related issues, while the Agency Ombudsman assists customers with tax or business-related issues.

Agency staff will treat all customers with care and attention whether filing a tax return, undergoing an audit or simply seeking information.

Our Customer Service Standards

- Online tax information will be available 24 hours a day, seven days a week.
- Qualifying taxpayers can file state sales tax returns via the Internet 24 hours a day, seven days a week.
- Telephone messages will be returned within 24 hours.
- Complaint letters will receive responses within 10 days.

The Comptroller's office regularly assesses its customer satisfaction levels through a number of surveys and report cards. Because of the complexity and range of duties performed by the agency, areas individually survey their customers. The agency also monitors its progress through the use of performance measures designed to evaluate the level of customer satisfaction with major areas of the agency. A separate Comptroller's Report on Customer Service is available on the agency's "Window on State Government" Web site.

OUR GOALS, OBJECTIVES AND STRATEGIES

GOAL I.

Improve voluntary compliance with the tax laws.

Texas Tax Code, Titles 2 and 3.

As state government's chief tax collector, the Comptroller administers the state's tax laws through auditing, enforcement and the dissemination of tax policy information. Voluntary compliance is viewed as the cornerstone of tax administration. The state's ability to fund its many

programs depends in large part on taxpayers meeting their tax responsibilities willingly.

Our Objectives:

- Increase the accuracy and number of audits and improve assessments from audits
- Achieve average account closure rates, ratios and turnaround times
- Improve taxpayer ratings of accuracy and speed of information disseminated
- Issue timely position letters

Our Strategies:

- Maintain an ongoing program of audit and verification activities
- Improve compliance with tax laws through contact and collection programs
- Provide information to taxpayers, government officials and the public
- Provide tax hearings, represent the agency and provide legal counsel

GOAL II.

Efficiently manage the state's fiscal affairs.

Texas Constitution (Art. III, Sec. 49a, 49g, 49k); Texas Local Gov't Code, Sections 112.003, 154.008; Texas Gov't Code, Chapters 41, 401, 403, 404, 406, 604, 608, 659-662, 666, 815, 825, 830, 840, 1201, 2101, 2103, 2155, 2162, 2175, 2252, and 2254; Texas Education Code, Chapter 57; Texas Election Code, Chapter 19; Texas Property Code, Chapter 74.

As Texas' chief financial officer, the Comptroller manages most of the state's fiscal affairs. The Comptroller is state government's primary accountant, responsible for writing the state's checks and monitoring all spending by state agencies. The Comptroller is also the state's official revenue estimator, providing the Legislature with anticipated state revenue information.

Beginning on Sept. 1, 1996, the Comptroller assumed the functions of the State Treasury, including the receipt, custody and safekeeping of public moneys and the administration of unclaimed property reported to the state.

On Sept. 1, 2007, House Bill 3560, as passed by the 80th Legislature, transferred the statewide procurement, fleet management and support services duties of the Texas Building and Procurement Commission, now the Texas Facilities Commission, to the Comptroller's office.

Our Objectives:

- Certify the general appropriations act
- Obtain a customer satisfaction rating of good or excellent on systems
- Increase the volume of direct deposits
- Improve the accuracy of the property value study
- Identify and develop research to promote understanding of fiscal issues
- Maximize state revenue by processing monies electronically
- Ensure the receipt of quality, cost-effective goods and services
- Achieve savings and measurable value from competitive services

Our Strategies:

- Project, account, audit and report receipts and disbursements for the state
- Issue payments
- Provide assistance and training to state agencies
- Maintain an integrated and uniform financial management system
- Conduct a property value study and provide assistance to appraisal districts
- Provide information and analysis to the public and private sectors
- Ensure that the state's assets and cash receipts are properly secured
- Provide statewide procurement and support services to state agencies and cooperative entities
- Identify and review state programs, services and processes that can be more cost-effectively provided through competitive bidding initiatives

GOAL III.

Expediently manage the receipt and disbursement of state tax revenue.

Texas Gov't Code, Chapter 403; Texas Tax Code, Titles 2 and 3.

As the state's chief tax collector, the Comptroller is responsible for collecting more than 60 separate taxes, fees and assessments, including local sales taxes on behalf of more than 1,500 cities, counties and other local governments. This responsibility includes maintaining taxpayer accounts, processing tax payment exceptions and adjustments and paying all unclaimed property claims.

Our Objectives:

- Generate taxpayer refunds
- Return tax allocations
- Maintain turnaround times

Our Strategy:

- Improve tax and voucher data processing, tax collection and disbursements

GOAL IV.

Develop and maintain a skilled work force, committed to quality performance.

(No specific statutory authorization).

The Comptroller's complex and varied duties require experienced, highly trained employees. The Comptroller's pledge is to provide useful training and educational opportunities for all staff. Extensive efforts have been made to make high-quality training available and accessible to those who need it, when they need it.

Our Objective:

- Ensure that each year the Comptroller's work force will be able to attend classes that will enable them to become more productive and knowledgeable employees.

Our Strategy:

- Make high-quality training available and accessible to those who need it, when they need it.

GOAL V.

Maximize customer satisfaction by improving services while minimizing administrative burdens on those we serve.

(No specific statutory authorization).

The Comptroller's office serves two types of customers. Our external customers are the taxpayers, vendors, state agencies and government officials for whom we provide various services. The nature of our agency's relationship to its external customers is different from those in the private sector, in that most of our customers are required by law to do business with us. Nonetheless, our success in improving voluntary compliance with tax laws, for example, depends in large part on the level of satisfaction our external customers feel toward our services.

Within the agency, our divisions support each other, thus creating internal customers. The level of service we

provide to one another is a crucial factor in our efforts to achieve our goals.

Our Objective:

- Attain highest ratings possible from those we serve as evidenced by feedback provided through surveys, cards or any other measuring device used by the agency.

Our Strategy:

- Improve services delivered to our internal and external clients in support of the Comptroller of Public Accounts' mission to serve the people of Texas.

GOAL VI.

Establish and carry out policies governing purchasing and all contracting that foster meaningful and substantive inclusion of Historically Underutilized Businesses (HUBS).

Texas Gov't Code, Chapter 2161.

The Comptroller of Public Account's HUB Program is committed to promoting equal opportunities in the contract awards process for Historically Underutilized Businesses statewide and to serving as an exemplary model for other state agencies in meeting the HUB mandate.

Our Objective:

- Include HUBs in at least 57.2 percent of all agency dollars spent for special trade construction; 20 percent of all agency dollars spent for professional services; 33 percent of all agency dollars spent for other services; and 12.6 percent of all dollars spent for commodities.

Our Strategy:

- Maintain ongoing program of activities to ensure HUB vendor participation in the procurement process.

OUR OPPORTUNITIES

In her inaugural speech, Texas Comptroller Susan Combs said, "This office is a unique state agency with a legendary reputation for outstanding service. We will preserve that reputation and build on it."

To preserve that reputation, and be the most efficient and effective agency in state government, the Comptroller's office faces many challenges. New legislation increased the taxpayer base by over 225,000, requiring more audits, more enforcement work and greater information system capacity.

Technology – and the Web in particular – has changed the expectations for customer service at all levels. As the agency competes with the private sector, customers request, and expect, easier systems and quicker response times.

The agency also faces stiff competition from the private sector for highly skilled workers. With an aging work force, the loss of institutional business knowledge and expertise due to retirement poses a dilemma for the agency and the state.

To meet these challenges, the agency must build upon and improve the efficiency of agency operations. Due to tight finances and legislative employment caps, the Comptroller's office can expect no significant increase in funding or staffing for the foreseeable future. Retirement and turn-over continue to deplete the existing work force.

As a result, the agency must work:

- Simpler: Identify processes and technology to make employees' jobs easier.
- Smarter: Eliminate bottlenecks and improve efficiency.
- Faster: Use technology to save taxpayers time and money, with "one-stop shopping" and a single point of entry for agency services.

By working together, employees can identify and develop more efficient ways to take care of daily business as well as build upon and/or improve operational efficiency, organizational effectiveness and service levels to both the internal and external customer base. Through ongoing business process improvement efforts, the agency will enhance its ability to meet an increased demand for services and provide stellar customer service.

Over the next five years, the Comptroller's office will:

- Focus on core functions
- Be a process-based organization
- Manage processes and resources from an agency-wide perspective
- Provide clients with one-stop shopping, allowing them to have one entry point to all of the agency's services
- Use technology wherever time and cost savings can be achieved

These efforts will increase the agency's efficiency and ability to meet increased demand, but even the most efficient operation will falter and technology will not be able to live up to its full potential without a skilled work force. In

conjunction with business process improvement efforts, the agency's work force plan is designed to:

- Develop a skilled, well-trained work force; and
- Attract and retain the right employees for the job.

By thoroughly training staff and transferring institutional knowledge, the Comptroller's office will be able to mitigate the loss of experienced staff due to retirement. Ongoing assessments of employee skill levels and active recruiting to fill gaps in expertise will allow the agency to keep pace with staff losses.

II.

CURRENT WORK FORCE PROFILE (SUPPLY ANALYSIS)

CORE FUNCTIONS AND CRITICAL WORK FORCE SKILLS

Core Functions

- Collect state taxes and fees
- Enforce tax laws
- Provide tax assistance
- Oversee the state's fiscal affairs
- Estimate state revenue and monitor state expenditures
- Process and deposit state revenue
- Manage statewide purchasing and contracts

Critical Work Force Skills

Although the agency has many talented and qualified employees, there are a number of critical skills that are important to the agency's ability to operate. The Comptroller's office could not effectively accomplish basic business functions without these skills:

- Customer service
- Analysis/research
- Problem solving
- Communication (verbal and written)
- Computer proficiency (skills requirements range from entry-level end-user to the highly-skilled information technology specialist)
- Investigation
- Auditing/accounting
- Financial analysis
- Management

Work Force Demographics

As of March 31, 2008, the Comptroller's office had a total headcount of 2,693 employees. The following tables profile the agency's work force, including both full-time and part-time employees. The Comptroller's work force is comprised of 43 percent males and 57 percent females. Over 47 percent of the agency's work force is 50 years or older with over 35 percent of the work force having 21 or more years of state service. Employee tenure with the agency breaks down as follows:

- 48 percent of the work force has 10 years or less tenure with the agency;
- 26 percent has 11-20 years of experience; and
- 26 percent of employees have 21 years or more of service with the agency.

Statistics show that almost one-half of the work force has 10 years or less experience working in the Comptroller's office with proficiency levels ranging from minimal knowledge to working knowledge of processes. Twenty-six percent or just over one-fourth of the Comptroller's work force has 11-20 years of tenure with expertise ranging from working knowledge to the mastery level. Employees with 21 years or more of experience with the Comptroller's office, with expertise levels ranging from mastery to acknowledged subject matter expert, comprise 26 percent of the work force. These employees are also keepers of institutional business knowledge.

The data clearly demonstrates the agency will experience a disparity in knowledge and experience levels within the next five years unless succession-planning strategies are implemented to address the transfer of institutional business knowledge and professional expertise.

WORK FORCE BREAKDOWN

Age

	Number of Employees	Percent of Employees
20 – 29 years	194	7.2%
30 – 39 years	424	15.7%
40 – 49 years	797	29.6%
50 – 59 years	1,008	37.5%
60 – 69 years	262	9.7%
70 – 79 years	8	0.3%

Source: Uniform Statewide Payroll System.

Gender

	Number of Employees	Percent of Employees
Male	1,159	43%
Female	1,534	57%

Source: Uniform Statewide Payroll System.

State Tenure

	Number of Employees	Percent of Employees
0 – 5 years	511	19.0%
6 – 10 years	476	17.7%
11 – 15 years	311	11.6%
16 – 20 years	433	16.1%
21 – 25 years	362	13.4%
26 – 30 years	345	12.8%
31 – 35 years	208	7.7%
36 – 40 years	43	1.6%
Over 40 years	4	0.1%

Source: Uniform Statewide Payroll System.

Agency Tenure

	Number of Employees	Percent of Employees
0 - 5 years	793	29.5%
6 - 10 years	510	18.9%
11 – 15 years	297	11.0%
16 – 20 years	394	14.6%
21 – 25 years	239	8.9%
26 – 30 years	274	10.2%
31 – 35 years	161	6.0%
36 – 40 years	21	0.8%
Over 40 years	4	0.1%

Source: Uniform Statewide Payroll System.

Statewide Employment Statistics

Job Category	African American		Hispanic American		Females	
	Comptroller	State	Comptroller	State	Comptroller	State
Officials/Administration	13.5%	6.6%	13.5%	14.2%	38.3%	37.3%
Professional	16.3 %	8.3%	25.1%	13.4%	55.2%	53.2%
Technical	8.8%	12.4%	12.4%	20.2%	47.1%	53.8%
Administrative Support	19.8%	11.2%	38.5%	24.1%	71.91%	64.7%
Skilled Craft Worker	50.0%	6.0%	50.0%	37.5%	0.0%	4.8%
Service/Maintenance	0.0%	13.8%	0.0%	40.7%	0.0%	39.0%

Sources: Uniform Statewide Payroll System and Texas Workforce Commission (TWC).

Note: TWC statistics extracted from "Equal Employment Opportunity and Minority Hiring Practices Report, January 2007."

COMPTROLLER'S WORK FORCE COMPARED WITH STATEWIDE CIVILIAN WORK FORCE

The *Statewide Employment Statistics* table above compares the percentage of African American, Hispanic and Female Comptroller employees (as of March 31, 2008) to the statewide civilian work force as reported by the Texas Workforce Commission. For most job categories, the agency is comparable to or above statewide work force statistics. The Comptroller's office does not employ significant positions in the Service Maintenance class, which includes occupations where workers perform duties that result in or contribute to the comfort, convenience, hygiene or safety of the general public.

EMPLOYEE TURNOVER

During the last five years, the agency's turnover rate has fluctuated. Although turnover in fiscal 2003 was 10.3 percent as compared with 12 percent in fiscal 2007, the agency experienced significant decreases in turnover in fiscal years 2004 and 2006.

Currently, the turnover rate for the agency is 5.4 percentage points lower than the average state turnover. The *Overall Turnover* table compares the average agency turnover to that of the state over the last five years.

Overall Turnover

Fiscal Year	Comptroller	State
2007	12.0%	17.4%
2006	7.5%	15.8%
2005	11.2%	16.9%
2004	8.3%	15.1%
2003	10.3%	17.4%

Sources: Uniform Statewide Payroll System and the State Auditor's Office (SAO).

Note: SAO statistics extracted from "An Annual Report on Full-Time Classified State Employee Turnover" (for respective fiscal years).

Turnover by Classification Job Series

Classification Job Series	Total Terminations
Auditor	61
Accounts Examiner	38
Program Specialist	42
Systems Analyst	42
Tax Compliance Officer	25

Source: Uniform Statewide Payroll System (Fiscal 2007 data).

Turnover by Length of Service

FY	# Terms	0 - 5 Years	6 - 10 Years	11 - 15 Years	16-20 Years	21 - 25 Years	26 - 30 Years	31+ Years
2007	344	126	69	21	24	25	55	24
2006	221	114	32	16	18	8	23	10
2005	336	135	34	25	18	37	70	17
2004	252	104	28	20	16	17	57	10
2003	299	92	23	25	15	44	89	11

Source: Uniform Statewide Payroll System.

Turnover by Age

FY	# Terms	0 – 19 Years	20 – 29 Years	30 – 39 Years	40 – 49 Years	50 – 59 Years	60 – 69 Years	70 – 79 Years	80 – 89 Years
2007	344	0	60	65	58	115	46	0	0
2006	221	5	44	55	32	63	19	2	1
2005	336	6	54	46	52	156	21	1	0
2004	252	0	29	50	38	120	14	1	0
2003	299	0	30	34	32	157	43	3	0

Source: Uniform Statewide Payroll System.

RETIREMENT ELIGIBILITY

Data obtained from the Employees Retirement System shows projected retirements for the Comptroller's office over the next four fiscal years. The loss of employees due to retirement is, and will continue to be, a critical issue facing the agency. The loss of institutional business knowledge and expertise in key management and senior-level professional positions coupled with normal attrition poses a critical work force dilemma for this agency as well as the state. It is important to ensure this technical knowledge and organizational experience is not lost. The following table examines the potential loss of employees due to retirements.

Projected Comptroller Retirements

Fiscal Year	Projected Retirements	Percent of Total Agency FTEs (FTE Cap = 2,996.6)
2008	119	4.0%
2009	124	4.1%
2010	119	4.0%
2011	123	4.1%

Source: Employees Retirement System.

III.

FUTURE WORK FORCE PROFILE (DEMAND ANALYSIS)

Critical Functions

- Possible expansion of, or changes to, existing taxes or the enactment of new taxes.
- Legislative mandates impacting the administration and delivery of agency services.

Expected Work Force Changes

- Increased use of technology to revise and streamline work processes.
- Cross-trained employees in functional areas.
- Greater demand for Web related services.

Anticipated Increase/Decrease in Number of Employees Needed to Do the Work

- Maintain current staffing level. Any decrease in staffing would significantly impact the agency's ability to perform required services.
- Reallocate FTEs within the agency to address increased demands.
- Continuously review and develop efficient work processes.

Future Work Force Skills Needed

The Comptroller's office anticipates future core work force skills will be the same as current skill requirements. As the agency increasingly utilizes technology to streamline processes, meet the demands of customers and provide more efficient services, however, additional skills may be required for the future work force. Needed skills might include more advanced computer-related skills (e.g., systems design and analysis and Web design and development) and the ability to acclimate to new or modified application systems.

IV.

GAP ANALYSIS

Anticipated Surplus or Shortage of Workers or Skills

After analyzing the work force information gathered from agency divisions, it is clear the primary gap that must be addressed between the agency's current work force supply and future demands is in transferring institutional business knowledge and technical expertise (mastery level). Overall,

the agency work force currently has the necessary skills to do the required work. In the next five years, however, the agency will experience a shortage of required skills, particularly in management and senior level professional positions due to potential retirements and normal attrition.

- There is a potential skills imbalance “gap” between tenured/skilled employees (employees with 15+ years of service) with institutional business knowledge and technical expertise and employees with less tenure (10 years or less service). Consequently, the future work force may lack mission critical skills unless steps are taken to develop less tenured employees.
- The agency will continue its efforts to identify key positions in management and key senior-level professional positions for succession planning.

- Human Resources will continue to work with divisions on developing desired skill sets and competencies for their areas.

As part of the Work Force Planning process, Human Resources distributed a Work Force Planning Questionnaire to division management to develop a profile of current division skill levels and future workload demands. The following skills were identified as priorities for employees over the next five years. These skills were rated on a scale from one to four to determine the current proficiency level and the desired proficiency level. The results are illustrated below.

Skill Levels

Skill	Current Competency Level	Projected Competency Level Within the Next 5 Years	Needed Competency Level	Gap
Auditing	4	2	4	2
Advanced Financial Analysis	3	2	4	2
Analysis	4	2	4	2
Communication	3	3	4	1
Computer Proficiency	3	2	4	2
Customer Service	4	3	4	1
Investigation	4	2	4	2
Research	4	3	4	1
Management	4	2	4	2
Problem Solving	4	2	4	2

Current = Average competency level for incumbents performing core functions

Projected = Average competency level projected for employees performing core functions within the next 5 years

Needed = Average competency level needed for future employees performing core functions

Gap = Difference in skill level between needed and projected competency levels

0 = No knowledge

1 = Minimal knowledge, familiarity with skill

2 = Working knowledge, proficiency in skill

3 = Professional level, mastery skill

4 = Acknowledged expert in skill, able to mentor and train other employees

V.

STRATEGY DEVELOPMENT

The Comptroller's office has always emphasized training. One of the agency's six primary goals is to:

Develop and maintain a skilled work force, committed to quality performance

In order to address any deficits between the Comptroller's current work force and future demands, several strategic objectives have been incorporated into the agency's work force plan. These objectives were developed based on factors identified through the agency work force analysis. The Comptroller's future work force requirements can be met through the accomplishment of two key objectives:

Objective: Develop a Competent, Well-Trained Work Force.

Rationale:

Approximately 16 percent of the Comptroller's work force is projected to be eligible to retire within the next four years. The most critical issue facing the agency is the potential skills gap that will occur due to employee retirements. The agency relies heavily on a competent and knowledgeable staff and the loss of mastery-level expertise and institutional business knowledge will have a significant impact on agency services. The training and development of current employees is critical to the success of the agency. The agency must assess existing staff to determine which employees demonstrate the potential or interest to develop new competencies and assume new or modified positions.

Action Steps:

- Identify agency critical skills and competencies with input from divisions.
- Conduct an assessment of the level of risk facing the agency regarding the potential loss of knowledge, particularly in areas where loss is likely due to the imminent retirement of employees in key positions.
- Develop succession-planning and knowledge transfer strategies to ensure that institutional business knowledge and technical expertise is transferred to less tenured employees. Promote these strategies as an agency priority and include accountability measures.
- Train management staff to address skill imbalance issues. Implement accountability measures to ensure managers develop and execute appropriate strategies to successfully address skill "gaps" within their division.
- Expand and enhance training curricula and programs to include effective leadership, mentoring and contemporary management training skills, as well as assess and address division specific training needs.
- Create a management development program based on specific assessment criteria to create a group of potential candidates for future leadership positions. Require candidates to participate in professional management training that would include opportunities to apply and prove leadership qualities and abilities.
- Implement mentoring programs for all levels of job categories matching seasoned employees with new employees.
- Include "job shadowing," or pairing new employees with more seasoned employees, as a routine part of employees' job descriptions.
- Enhance the agency's tuition reimbursement program to encourage employees to further their education.
- Encourage employees to pursue professional certification(s) in their areas of employment when possible.

Objective: Attract and Retain the Right Employees for the Job

Rationale: Recruiting excellent workers is the cornerstone of building a quality work force. Retaining those same employees in a competitive market remains a continuing challenge. Retention of state employees will require a partnership between state leadership and state agencies. State leadership must offer competitive salaries and benefits packages and allow flexibility to administer non-monetary incentives. State agencies must take responsibility to recruit quality workers, recognize excellent performance and provide development opportunities. The Comptroller's office must provide quality training and professional development for all employees that focus on agency and division critical skills, competencies and technical requirements. Mentoring and learning opportunities such as job shadowing must be expanded to maintain institutional business knowledge and technical expertise and enhance career and professional development opportunities for employees.

- Action Steps:*
- Identify classification job series with the highest turnover and implement more aggressive recruitment and retention strategies for these positions.
 - Implement more aggressive cross-training opportunities within divisions to ensure continuity of business functions and processes.
 - Enhance and expand recruiting efforts to incorporate marketing the agency as an employer of choice.
 - Market career assessment resources and professional development opportunities.
 - Further develop and promote agency mentoring programs.
 - Develop career paths that cross division lines and market as opportunities to develop additional skills and increase advancement possibilities.
 - Create programs that allow employees who are seeking new challenges to work on special projects, rotations and/or developmental or "stretch" assignments.
 - Utilize pay incentives, where appropriate, to attract and retain staff.
 - Adjust salaries within assigned pay ranges for employees in positions that are either critical or key functions or have high turnover rates.
 - Create formal rewards and recognition programs and activities within divisions.
 - Continue to allow employees to utilize the agency's alternative work schedule programs to the extent possible.

VI.**SUCCESSION PLANNING PROGRESS**

The Comptroller's office has implemented and will continue to put into practice the action steps outlined above. Strategies such as creating opportunities for employees to work on special projects, development projects or "stretch assignments," cross-training of staff by subject-matter experts and/or retirees, job shadowing, structured on-the-job training and recognition programs have been implemented in various divisions.

Most divisions have expanded efforts to implement informal plans to transfer institutional business knowledge and subject matter expertise. The Comptroller's office is in the process of implementing a four phase pre- and post-su-

pervisory training program to provide growth opportunities for interested employees.

The agency is also implementing a more formalized process to capture and transfer institutional business knowledge. Human Resources staff is working with multiple divisions on knowledge transfer strategies in the short term that can then be replicated in other agency divisions over the long-term.

Staff is implementing an updated performance appraisal process based on competencies to assist management in designing effective employee development plans to ensure continuity of core business processes. The revised performance appraisal process will allow for the inventory of position competencies and skill requirements and include an

employee professional development plan. This model will also include the integration of employee job descriptions, accomplishments and specific behaviors expected for each performance rating as well as manager/employee feedback.

The process is part of a formal succession-planning program to include an employee assessment and management development training plan. The process will include

the ability to generate reports to assist with projecting staffing needs, identify critical and/or key positions and match employee competencies/skills with business needs. Transferring institutional business knowledge to ensure continuity of agency functions is a dynamic process and continues to be a work in progress.



Texas Comptroller of Public Accounts

Publication # 96-1215. Printed July, 2008

For additional copies, write:
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